

THE
BRAND
BANKING CO.

SINCE 1905
PO Box 1110
Lawrenceville, Georgia 30046

Bartow Morgan, Jr.
Chairman and CEO

March 22, 2006

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Docket No. OP-1248

Ladies and Gentlemen:

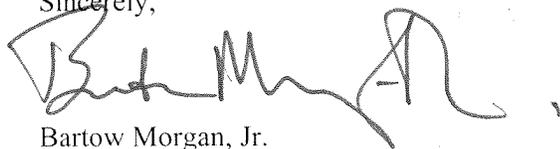
The Brand Banking Company appreciates the opportunity to comment on the Agencies' Proposed Guidance entitled "Concentrations in Commercial Real Estate (CRE) Lending, Sound Risk Management Practices" (the "Guidance"), published in the January 13, 2006, issue of the Federal Register.

As a one hundred year old family-owned community bank, with assets approaching \$800 million, we have an acknowledged concentration in construction and development loans corresponding to expertise in this area. Since the early '70s, when construction and development really took off in our area, CRE lending has been a natural fit for our bank and where we can best serve our customers and community. While the bank has grown substantially since then, CRE concentration has not changed materially. We believe the proposed requirement for additional capital based on CRE loan volume imposes an unjustified burden.

In terms of the risk associated with this portfolio, our historical charge-off percentage for loans secured by real estate is lower than loans in the personal and business categories (not real estate secured). Furthermore, our historical charge-offs have been below most of our peers that have lower concentration in CRE lending as well as industry averages. Likewise, we have a thorough knowledge of the market area served by this institution (northeast of Atlanta) and incorporate management tools to monitor the same. The majority of our concentration is in one-to-four family residential development and construction projects, a segment that would be hampered by imposing the proposed constraints.

We respectfully request you to reconsider the proposed guidance.

Sincerely,



Bartow Morgan, Jr.
Chief Executive Officer